

LAND BOARD AGENDA ITEM

February 22nd, 2011

**SET MINIMUM BID FOR LAND BANKING PARCEL # 63
CUSTER COUNTY**

- Seller:** State of Montana, Department of Natural Resources and Conservation
- Nominator:** Parcel 63 - Lessee, Jacqueline Beumer
- Location:** Parcel 63 - is located 17 miles southeast of Miles City.
- Property Characteristics:** Parcel 63 - This parcel is leased for grazing, and has below average productivity when compared to Trust Lands across the state.
- Access:** Parcel 63 – Is an isolated parcel of grazing land, surrounded by private land and consequently is not accessible for recreational purposes without permission of the private land owner.
- Economic Analysis:** Short term – The rate of return on the sale parcel is 0.38 % for Common Schools. They would continue to receive this return if the parcel is not sold.
- Long term – The sale of this parcel would result in acquisition of lands that generate a higher rate of return. To date the average annual rate of return on acquisitions has been 1.91%, on acquisitions with income generated from annual lease payments.

Cultural/Paleontological Resources:

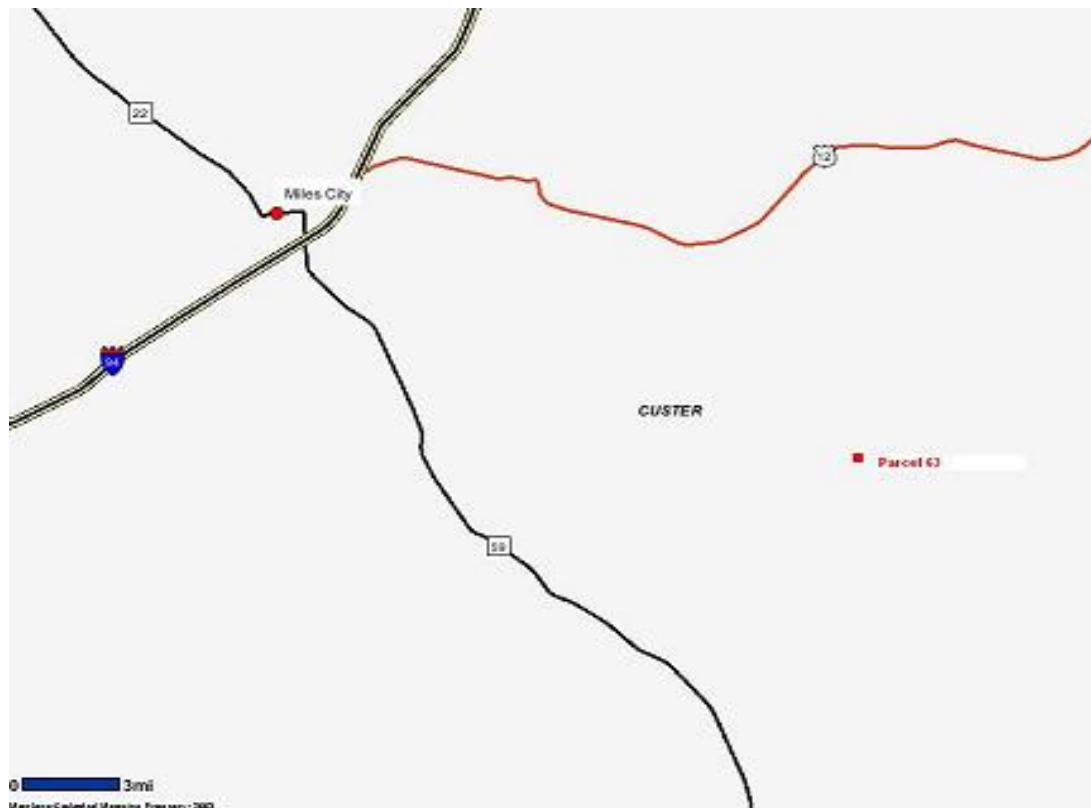
The parcel nominated for sale was inventoried to Class III standards for cultural and paleontological resources. No *Antiquities*, as defined under the Montana State Historic Preservation Act, were identified. Fort Union formation geologic deposits occur on or beneath the ground surface of this tract.

Agency Recommendation:

Since no market data was available to the appraiser at the time of the appraisal to support a value conclusion of the "as is" condition of no legal access, this parcel was only appraised under the hypothetical condition of having legal access. Based on the appraised value, the Director recommends the minimum bid amount as follows:

Sale #	# of Acres	Appraised Value With Access	Appraised Value Per Acre With Access	Appraised Value Without Access	Recommended Minimum Bid	Trust
63	640	\$ 192,000	\$300	N/A	\$ 192,000	Common Schools
Total					\$ 192,000	

Location of Sale Parcel in Custer Co.



Sale Parcel #63

